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SUBJECT: LABOR PROGRAMMING NEEDS IN OMAN

REF: A. 06 MUSCAT 1565

- [1](#)B. MUSCAT 27
- [1](#)C. STATE 4786
- [1](#)D. 06 MUSCAT 1635

[1](#)1. Summary: The recently signed U.S.)Oman Free Trade Agreement (FTA) presents numerous opportunities for the USG to build the capacity of unions, promote worker rights, encourage greater activity on the part of women, and support our democratization goals. Labor unions likely will be, for the foreseeable future, the only non-governmental organizations (NGOs) in Oman able to vocally advocate for human rights and exemplify democracy at work. Accordingly, USG support to develop a vibrant labor movement and ensure the successful implementation of Oman's labor reforms will significantly advance our overall reform agenda. Contacts have identified a number of program priorities: facilitating tripartite communication among business, labor and government; building judicial capacity to resolve labor disputes; raising awareness about unions in communities outside Muscat; and supporting linkages among employer associations to develop shared best practices in working with unions. Additional opportunities for USG support include: supporting the development of sector-level labor organizations; training government workplace and safety inspectors; and enhancing the support network for migrant workers. End summary.

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Background
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[1](#)2. During the second half of 2006, Oman passed a number of labor reforms in conjunction with the U.S.)Oman FTA (ref A). Contacts among business, labor and government tell poloff that the quick pace of reform has left them little time to develop the groundwork needed for effective implementation (ref B). Unions are weak, and despite the presence of representative committees - Oman's precursor to unions - since 2005, contacts say that unions face the prospect of essentially building their organization and leadership from scratch. Presently, two MEPI-funded programs are expected to form the nexus of USG labor assistance to Oman) specifically, a program led by the International Labor Organization (ILO) to promote union development and core labor standards; and a program run by a regional non-governmental organization (NGO) to aid unions with organizing and conducting elections. Contacts state, however, that they need greater USG assistance to help them

implement labor reforms.

¶3. USG support for labor in Oman - particularly developing viable labor unions - will greatly assist Post in pressing our broader reform agenda. Once developed, unions will form the most visible and active segment of Oman's civil society, since the government maintains strict controls on the registration and activities of other types of NGOs. Therefore, unions promise to become Post's primary civil society partners in projects that advance human rights and democratic reform. Unions should provide many Omanis with their first experience in direct democracy through union elections, and will also present women with new opportunities for leadership. Post accordingly encourages the Department and other agencies to make supporting labor in Oman a priority. Post provides the following list of project ideas, which Omani interlocutors have proposed during regular discussions with emboffs, as a starting point for increased USG assistance.

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Programming Ideas
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¶4. Facilitate Tripartite Communication: In a December 2006 meeting with the Ambassador, Minister of Manpower Juma bin Ali al-Juma recommended that Post send representatives from Omani business, labor, and government to the United States to learn from their U.S. counterparts about best practices in labor relations. Post believes that such a trip could help facilitate communication among these three sectors; provide a core group from each sector with a common set of experiences upon which to build relationships; and augment the ILO's proposed training plan. Key issues and themes of the program could include: the role of government in promoting labor

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relations; how labor leaders interact with both private and public sectors; how businesses benefit from maintaining positive relationships with labor; successful examples of labor dispute resolution; and best practices for managing labor relations in a diverse, multinational labor force. (Note: The ability to nominate a candidate for the International Visitor Leadership Program/Multi-Regional Project for labor in FY-07 (ref C) could partially fulfill the Minister's request. Post has contacted the Bureau of Education and Cultural Affairs to develop this idea into a Single Country Program. End note.)

¶5. Build Judicial Capacity to Settle Labor Disputes: Contacts in the Ministry of Legal Affairs tell poloff that very few judges have experience in resolving labor disputes. Business leaders have independently expressed that the lack of judicial experience undermines their faith in the dispute resolution process. Post recommends that we include a workshop for judges on labor dispute resolution in the second phase of a MEPI-funded, American Bar Association project on legal reform in Oman.

¶6. Conduct Labor Outreach in Salalah: Labor contacts in Salalah - located in Oman's southeast - tell poloff that there currently are only two unions in the important port city, and that they sorely need help to promote union development in Salalah's rapidly growing industrial and service sectors. Labor contacts say that there is a broad lack of awareness among workers and employers about the role of unions and the extent of workers' rights under Oman's labor reforms. Reflecting the thoughts of other employee leaders, the President of the union at the Crowne Plaza Hotel recommended that Post develop a train-the-trainer program for worker representatives from each of Salalah's major companies. The program agenda could cover the basics of union organizing, collective bargaining and strikes, and how to conduct effective relationships with employers and government. He added that the program should include a follow-up and evaluation component. By channeling assistance

outside the Muscat area, this program could help ensure balanced labor development throughout the country.

¶17. Support Linkages Among Employer Associations: Employers tell poloff that they lack experience in dealing with unions, and are worried that collective bargaining and strikes may disrupt the stability of Oman's labor market (ref B). The management of the Oman Society for Petroleum Services (OPAL), an influential non-governmental organization representing more than 200 companies in Oman's oil and gas industry, asked Post to design a program that brings together employers and/or employer associations from Oman, the United States and other Arab FTA countries to study best labor practices through case studies and other practical exercises. The program would assist OPAL and employers in other sectors in developing guidelines for union relations that protect core labor standards. In addition, it would help them in building international connections for ongoing support. Finally, such a program could also aid in integrating women in the workforce and in Oman's labor unions.

¶18. Promote Sectoral Organizations: Under Ministerial Decision 311, unions are able to form federations that can represent workers in an entire sector. Minister al-Juma reportedly wants unions to begin forming federations before the end of 2007 (ref B). While the MEPI regional office already is funding training for individual unions in organizing and conducting elections, Post is unaware of plans to help unions understand the role of sector-level organizations or the functions of their administrative bodies. Post recommends that the USG support programming that introduces unions to broader labor federations in the United States and other countries with mature labor movements. This support would be most useful toward the end of calendar year 2007 or early 2008, since unions currently are focusing on organizing elections at the company level.

¶19. Train Workplace and Safety Inspectors: Throughout Oman, many private companies maintain housing compounds for their low-skilled migrant workers. Poloff has observed that the living conditions in some of these compounds) locally known as "labor camps" - are cramped and lacking in hygiene, and may fail to meet international norms or comply with domestic laws regarding health and safety (ref D). Officials at the Ministry of Manpower (MOM) admit to poloff that many of the

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Ministry's inspectors who are responsible for investigating workplace complaints and enforcing compliance with Omani law lack experience and proper training. Oman is in the process of recruiting new inspectors and is close to passing updated occupational health and safety regulations. Post believes that a training program for MOM inspectors provides another mechanism for increasing worker protections.

¶10. Enhance Support for Migrant Workers: Labor attaches in source country embassies have asked poloff for support in developing a brochure for newly arrived migrant laborers, which would explain in multiple languages their rights - including membership in a labor union - and the range of services available to them. This project would model a brochure that source country embassies in Kuwait developed with USG support titled "What Workers Need to Know." The labor attaches in Oman tell poloff that they would solicit the support and involvement of the Omani government so that workers could receive the brochure at the ports of entry. This project could result in enhanced collaboration among source country embassies, and provide essential information to potential trafficking victims. In addition, by educating migrant workers about their right to join a union, the project could help expand unions' potential membership base.

¶11. Comment: Oman needs significant assistance to successfully implement its labor reforms. Unions in particular require substantial and sustained support. Since

the USG was the driving force behind these reforms under the auspices of the FTA, Post strongly believes that we likewise should play a central role in garnering the technical and programmatic support that Oman needs to help ensure their success. In addition, support for union development falls squarely in line with our democratic reform agenda. With leaders elected at the grassroots level and accountable to workers, unions can serve as Oman's most visible examples of democracy in action. Post will send additional programming ideas as they arise, most likely once the ILO training is underway. End comment.

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